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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/426,410	10/25/1999	EITHAN Y. EPHRATI	03660.P011	1848

7590 11/16/2005

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EXAMINER

LANEAU, RONALD

ART UNIT PAPER NUMBER

3627

DATE MAILED: 11/16/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/426,410

Applicant(s)

EPHRATI ET AL.

Examiner

Ronald Laneau

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 27 October 2005.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 32-36, 38, 44 and 45 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 32-36, 38, 44 and 45 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

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Response to Amendment

1. The amendment filed on 10/27/05 has been entered. Claims 32-36, 38, 44 and 45 are now pending.

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 32-36, 38, 44 and 45 are rejected under 35 U.S.C. 103(a) as being unpatentable over Buist (US 6,408,282 B1) in view of Ferstenberg et al (US 5,873,071).

As per claim 32, Buist discloses a machine-readable medium having instructions to cause a machine to perform a method of managing a switchable bilateral electronic negotiation (col. 21, lines 8-45), the method comprising:

Facilitating a first active negotiation between a first party and a second party, wherein the facilitating the first active negotiation includes exchanging multi-attributes offers between the first party and the second party (fig. 25 – best bid and offer shown in order book – first active negotiation between a first and a second party, it is a completely electronic negotiation where the user sets the parameters for the multi-attribute offer (stock, quantity, price, etc) and the trader responded with a bid which was matched electronically still a negotiation not accepted and it was facilitated though the system);

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Facilitating a first inactive negotiation between the first party and a third party, wherein facilitating the first inactive negotiation includes receiving a submitted multi-attribute offer from the third party (Fig. 25; col. 21, lines 8-46 – the user reviews orders on the book for the stock at the selected price and selects the name of a trader to negotiate with; it is facilitated by the system because the multi-attribute offer is on the books, available to the user for viewing, it is received by the user because it is there for him to select and utilize);

Automatically dropping the first active negotiation between the first party and the second party based on one or more rules relevant to the multi-attributes (Fig. 25; col. 21, lines 8-46– the negotiation is automatically dropped between the first and second party because the system automatically removes the bid as soon as the user selects the send order to the contra party);

Facilitating a second active negotiation between the first party and the third party (Fig. 25; col. 21, lines 8-25; a negotiation between the first and the third party, i.e. the trader the selected trader, is facilitated by the software permitting input of the offer, showing Negotiation on the master screen, transmitting the offer to the other party's work station where it is highlighted and providing options for the other party regarding the offer and transmitting their response back to the user, which repeats until the negotiation is completed or canceled); and

Facilitating a second inactive negotiation between the first party and the second party (Fig. 25 – the system facilitates a second inactive negotiation between the first party and the second party by showing the negotiation in the open negotiations window on the master trade screen highlighted in yellow; in an order book system this allows the trader to make a decision, i.e. whether to change it or stay put, regarding his best bid thus facilitating a second inactive negotiation).

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Buist does not disclose receiving an indication of an acceptable negotiation and sending a message requesting the final offer but Ferstenberg discloses receiving an indication of an acceptable negotiation associated with the second active negotiation, the indication of an acceptable negotiation indicating that the third party has one last chance to submit a final multi-attribute offer (col. 23, lines 14-23); and sending a message to the third party requesting the final multi-attribute offer (cols. 13-14, line 58 to line 6).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to utilize the indication of acceptable negotiation and the message requesting the offer as taught by Ferstenberg into the system of Buist because it would provide e-agent programs that generate counter-offer messages representing acceptance of the total amounts of commodities offered in the immediately preceding offer messages received from the intermediary program.

As per claim 33, Buist discloses the first active negotiation includes updating a first negotiation object (Fig. 25, col. 21, lines 8-21 – counter offer Best Bid and Offer Shown in the Order Book)

As per claim 34, Buist discloses the first active negotiation includes updating a second negotiation objection (rejection of the counter offer Best Bid and Offer Shown in the Order Book by removal from the order book).

Claim 35 is rejected for the same reasons set forth in claim 32.

Buist discloses electronic methods for bilateral negotiation of stock trades. The size of the genus is small, user-to-user trades, in the bilateral sense, as one stock is being traded, the only teaching go to bilateral trading, switchable bilateral trades and although not specifically discussed, perhaps concurrent bilateral trades. He specifically teaches the species of switchable

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bilateral negotiations so that a user may negotiate for a better price in a stock during a user-to user trading of the preferred embodiment. Col. 21, lines 8-41. The structural similarities are set forth above and meet the limitations of the claims, as do the teachings of similar properties. Applicant has provided no teachings of uses for switchable bilateral negotiations. Negotiations have been around since the beginning of time and this is one variation. It is a computerized version and a result whether formation or rejection of the negotiation is predictable. Thus, it would have been obvious to one of ordinary skill in the art at the time of the invention to have utilized the computer readable medium switchable bilateral method as taught in Buist for the explicit reasons discussed herein above.

4. Claims 32-36, 38, 44 and 45 are rejected under 35 U.S.C. 103(a) as being unpatentable over Bigus, et al. (6,085,178).

As per claims 32m 44 and 45, Bigus discloses a machine-readable medium having instructions to cause a machine to perform a method of managing a switchable bilateral electronic negotiation (cols. 10-11, lines 67-6 and cols 11-16 which incorporates patents 6,192,354 and 6,401,080 by reference), the method comprising:

Facilitating a first active negotiation between a first party and a second party, wherein the facilitating the first active negotiation includes exchanging multi-attribute offers between the first party and the second party ('178 - Figs. 7, 8 A&B; col. 11-12, lines 28-3; an active negotiation is facilitated between a first and second party when the agents interact and send offers and response messages back and forth);

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Facilitating a first inactive negotiation between the first party and a third party, wherein facilitating the first inactive negotiation includes receiving a submitted multi-attribute offer from the third party ('178 – Fig. 7 – Block 132; col. 11, lines 48-51 – the agent may also simply wait for incoming offers from other parties, block 142 also performs the functions of processing messages from other parties and from the agent manager – by receiving the incoming offers from the other parties the method is facilitating inactive negotiation between the first and a third party);

Automatically dropping the first active negotiation between the first party and the second party based on one or more rules relevant to the multi-attributes ('178 - Fig. 7 – Block 136; col. 11, lines 65-66; terminating or putting on a wait time - the negotiations would automatically drop the first active negotiation between the first and the second party as nothing is happening between the parties at this time);

Facilitating a second active negotiation between the first party and the third party ('080 – col. 9, lines 58-63 – teaches that negotiations may be conducted with more than one party at a time using separate execution or other context switching mechanism including during a wait period, i.e. bilateral switching; cols. 9-10 – teaches that one or more of the operating parameters of the routine are randomized and/or constrained to improve the negotiation performance of the agent in order to limit unproductive negotiations, including offer duration – another switching mechanism defined by Applicant; col. 9, lines 29-32 teaches that if the negotiation is complete the agent is free to seek out other parties with which to negotiate, i.e. switch.); and

Facilitating a second inactive negotiation between the first party and the second party ('401 – Figs. 11-14 teach facilitating a second inactive transaction between the first party and the

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second party; see also col. 10, lines 26-61 – as the negotiation may be in a wait time and negotiations with the party proceeding, i.e. switched).

Bigus discloses intelligent agents utilized for electronic negotiations. The size of the genus is small, in the bilateral sense, as one stock is being traded, the only teaching goes to bilateral trading, switchable bilateral trades and concurrent bilateral trades. The structural similarities are set forth above and meet the limitations of the claims, as do the teachings of similar properties. Applicant has provided no teachings of uses for switchable bilateral negotiations. Negotiations have been around since the beginning of time and this is one variation. Switchable bilateral negotiations are particularly useful in a scarce market, for bid shopping, in mergers and acquisitions, in complex negotiations, and in situations where a user does not want to devote vast resource to multiple negotiations over the same product. It is a computerized version and a result whether formation or rejection of the negotiation is predictable.

Bigus does not disclose receiving an indication of an acceptable negotiation and sending a message requesting the final offer but Ferstenberg discloses receiving an indication of an acceptable negotiation associated with the second active negotiation, the indication of an acceptable negotiation indicating that the third party has one last chance to submit a final multi-attribute offer (col. 23, lines 14-23); and sending a message to the third party requesting the final multi-attribute offer (cols. 13-14, line 58 to line 6).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to utilize the indication of acceptable negotiation and the message requesting the offer as taught by Ferstenberg into the system of Bigus because it would provide e-agent programs

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that generate counter-offer messages representing acceptance of the total amounts of commodities offered in the immediately preceding offer messages received from the intermediary program.

As per claim 33, Bigus discloses the first active negotiation includes updating a first negotiation object ('178 - col. 11, lines 5-6 and line 65 - acceptance or rejection of an outstanding offer stored in the transaction history database)

As per claim 34, Bigus discloses the first active negotiation includes updating a second negotiation objection (('178 - col. 11, lines 5-6 and line 65 - response that is sent back and decoded by agent manager, i.e. counter offer stored in the transaction history database).

Claim 35 is rejected for the same reasons set forth in claim 32.

As per claim 36, Bigus does not explicitly disclose facilitating an inactive negotiation or an active negotiation wherein the submitted multi-attribute offer is greater than a most recent submitted multi-attribute offer from the second party associated with the first active negotiation. However, as set forth above, Bigus discloses that teaches that negotiations may be conducted with more than one party at a time using separate execution or other context switching mechanism including during a wait period, i.e. bilateral switching; teaches that one or more of the operating parameters of the routine are randomized and/or constrained to improve the negotiation performance of the agent in order to limit unproductive negotiations, including computation of offer price and offer duration - another switching mechanism defined by Applicant; and that if the negotiation is complete the agent is free to seek out other parties with which to negotiate, as set forth above. Bigus does disclose that one or more operating parameters of the routine are randomized and/or constrained to improve the negotiation

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performance of the agent in order to limit unproductive negotiations, including computation of the offer price ('080 – cols. 9-10, lines 64-10). Thus, one context switching mechanism/operating parameter of the routine that could be randomized would be a rule allowing switching of active negotiation only when a competing offer improves upon a previous offer by a predetermined amount. It would have been obvious to one of ordinary skill in the art at the time of the invention to have added such a rule to the Bigus agent for such a rule would limit unproductive negotiations, eliminate non-serious third parties from the system, ensure that the “buyer” was receiving as good a deal as the agent designer believed possible, i.e. maximizing profits, and would enhance the efficiency of the overall negotiation process.

As per claim 38, Bigus discloses wherein facilitating the first active negotiation includes receiving a retraction of an offer associated with the first active negotiation and retracting the offer associated with the first active negotiation ('080 – Timer expired; col. 9, lines 23-32 – retraction = withdraw).

Response to Arguments

5. Applicant argues that neither Buist nor Bigus discloses or suggests “sending a message to a third party requesting a final multi-offer, upon receiving an indication of an acceptable negotiation.” In response to Applicant’s arguments, a new reference (Ferstenberg et al) is cited to disclose such features of the invention. Applicant further argues that neither Buist nor Bigus discloses or suggests that an “acceptance negotiating party may indicate that the third party has one last chance to submit a final multi-attribute offer.” In response to Applicant’s arguments, all negotiations are done in good faith and that each party is allowed to make a final offer when the

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negotiation is down to the wire and that Buist and Bigus' disclosures would include such feature.

As a result, claims 32-36, 38, 44 and 45 are rejected.

6. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Ronald Laneau whose telephone number is (571) 272-6784. The examiner can normally be reached on Mon-Fri from 8:30am - 6:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on (571) 272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Ronald Laneau
Examiner
Art Unit 3627

11/15/05

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